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VIEWPOINT

Pandora's box has been opened on Social Security

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WILLIAM A. O'ROURKE

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Many are celebrating President Barack Obama's "victory" over the Republicans for forcing them to their knees and making them pass the two-month extension of the payroll tax deduction. Excuse me, but I'm not applauding. Among the many stories the media has misreported over recent decades, Social Security is one of the most egregious. Journalists don't seem to understand the program until they start collecting payments from it in their 60s. Even calling the money going into the program a "payroll tax" is misleading. They are premiums, since Social Security is an insurance program.

It is actually called the federal Old Age, Survivors, and Disability Insurance program. So, you may call the payments taxes, but they are premiums. Do you want to stop paying your fire, car, life insurance premiums?

That has been one of the right-wing complaints that has been successfully inserted into the public "debate" about Social Security: that when you die you can't leave "what's left" to your heirs. Of course, even that is a lie, since the surviving spouse gets her/his benefits raised if the dead spouse's were higher; and minor children receive benefits.

Nonetheless, since Social Security is an insurance program, those who benefit the most are those who live the longest. Indeed, if you live into your 90s, SS pays off big; it is, more or less, an annuity, and the longer you live, the longer (and larger) is your benefit. Insurance is usually a bet, because no one knows how long they'll live. Do you moan the loss of your car insurance if you never have a wreck? The system works as insurance, since there are different outcomes for different people. It needs to be a pool of most everyone to insure a basic floor for everyone.

The anti-Social Security privatizers have spread so much misinformation about the program over the last three decades it is no surprise so many people are confused. And the media has been of little help. The GOP is, of course, the worst offender; George W. Bush called the bonds issued to cover the Social Security surplus over the years worthless. This is the crux of the problem for both sides.

On one hand, Social Security takes in more than it puts out; it has for years. Now the yearly surplus is less, but it remains (recently, so many jobless have retired "early" there was a small dip, but now there is a surplus again). And the trust fund is stuffed with money from all the years of large surpluses; one hears, correctly, that if nothing is done to grow Social Security, it will be able to pay 75 percent of benefits indefinitely, beyond 2035.

But, politicians, especially Republicans, don't consider the Social Security trust fund, the surplus (currently nearing \$3 trillion), a surplus; they consider it debt, because it has been spent: given to Wall Street and the military industrial complex, mainly. We arrive at the sad irony that America's working stiffs have been paying the bonuses for all the investment bankers over the years, as well as for our wars in Iraq and Afghanistan that President Bush kept off the books.

And now, we have the sad, smaller irony that the American workers are funding the Obama's administration tiny stimulus program, the lowering of the "payroll tax" (and for employers, too!). We paycheck workers are giving ourselves the puny amounts each month that Obama takes credit for.

And this is what is worse. Everyone is used to the Republicans trying to damage Social Security. But it is the Democrats who need to be watched. They like this "tax" break because it is so "efficient." No need to cut checks, start a program. Just reduce the amount coming in, and, voila, money in everyone's pocket. Of course, it is their own money, which is being taken out of their insurance system and will eventually have to be put back - but at what cost? More federal workers furloughed? More Medicaid cuts?

It was too tempting for the Democrat suits in Washington, all that efficiency. They consider it a version of domestic real politik. Their chipping away at the system allows other attacks to wiggle in. They've given Social Security one fatal attribute of the 401(k) "retirement" program. It can be raided, gotten to when "emergencies" arise, which is why, among other reasons, so many 401(k)s have such small amounts in

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them at retirement.

Once the Democrats decided to lower the Social Security payroll tax, a thing the Republicans proposed long ago in order to weaken it, they opened up Pandora's box to other changes. Watch Obama, even when, as it is likely, he wins a second term and goes along with raising the retirement age, without raising the cap on the richest Americans' contributions; he'll be applauded by his Wall Street backers. But, again, the chief irony is that working Americans have been funding the bubble spending, the wars and the bonuses, as George W. Bush merrily spent the Social Security trust fund surplus and now everyone bemoans the deficit and wants to have the people, the workers, who contributed the cash for the bubble, take the hit and change Social Security so they will be paid back less, take the haircut that the Wall Streeters have avoided, all the while giving themselves a Christmas tax break, while the rich continue to give less and take more.

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